



Shared Services News

A Publication of the Shared Services & Outsourcing Network

The monthly newsletter that helps you to cut costs and achieve service excellence

2007 Shared Services Excellence Award Winners, U.S.A.

Shared Services Leader of the Year
Sprint Nextel

Best New Shared Services
Verizon Services Operations
Runner Up: NASA

Best Use of Technology in an SSO
Monster Worldwide
Runner Up: ITT Corporation

Best Mature Shared Services
McDonald's Corporation – Corporate Shared Services
Runner Up: Wipro Technologies

Shared Services Vendor of the Year
SunGard AvantGard
Runner Up: Hewlett Packard

Excellence

best practice

leadership

voice of the customer

sponsorship

enthusiasm

“Excellent example of a combined insource-outsource partnership solution.”

Phil Searle

Chazey Limited

Awards Judge



NASA's Shared Services Center presents a unique partnership between federal government, industry and state government.

Runner Up: Best New Shared Services 2007



NASA Shared Services Center

NASA's winning shared services team, left to right: Scott Taylor, Steve Collins, Paulette Guerra, Joyce Short, Ginger Smith, Cindy Epperson, Rick Arbuthnot, Ken Griffey, Charles Kilgore, Fran Cook, Peggy Mosteller and Pat Walsh

Design and Start Up Strategy to Implementation

NASA created the NSSC to reduce support costs, standardize processes, and redirect resources to support the President's *Vision for Space Exploration*. NSSC is a unique partnership between federal government, industry and state government providing finance, human resources, IT, and procurement services to NASA. NASA projects an NSSC return on investment of U.S.\$100m over 10 years, with a 2.8-year payback period, and is on track to meet or exceed these savings. NASA's effort to save cost by creating NSSC was lauded in the October 13, 2006, president's management council report to the president of the United States.

Over a two-year period (2001-2003), a team of NASA employees and industry leaders was appointed to conduct a feasibility study and develop a shared services implementation plan, which has served as a strategic roadmap and blueprint for the NSSC.

NASA conducted a public-private competition to determine its service provider partner and the location for the NSSC. Computer Sciences Corporation (CSC) was selected as best value. CSC chose Stennis Space Center as the site and partnered with the states of Mississippi and Louisiana on the winning proposal. Mississippi is constructing a U.S.\$30m NSSC facility and Louisiana is contributing U.S.\$1m for

training. After Hurricane Katrina, NASA reconsidered options for location and delayed go-live. Despite recruiting and housing challenges, NASA reaffirmed its commitment to the Gulf Coast and opened March 1, 2006 – six months after the United States' worst natural disaster.

The NSSC's design utilizes its private sector partner, CSC, for service delivery. Government employees perform oversight and approval functions. This organizational structure facilitates the delivery of 55 services that will transition to the new shared services center over a three-year period. At end-state, NSSC will consist of 325 contract and 160 government employees.

With the attention to detail and planning typical of a shuttle launch, NSSC transitioned 34 activities across four functional areas in its first 10 months of operation. Five things enabled NSSC to accomplish this seamlessly:

- an integrated project plan to meet aggressive schedules
- detailed transition and project plans developed before conducting a readiness review for each activity
- service delivery guides that document processes and clarify roles and responsibilities
- baseline surveys that measure customer satisfaction before and after transition
- an operational readiness review (ORR) for each activity transitioning to the NSSC

Shared Services' Contribution to Organizational Success

NSSC's vision is to provide unparalleled service. Previously, a wide variation in processes led to inconsistent practices, and neither quality nor timeliness of services were measured or reported. NSSC's performance measurement plan and quality control plan provides NASA executives visibility into the timeliness, quality and volume for key support services. The chargeback system bills customers at an established rate for the services they use and provides NASA with unprecedented insight into support costs. The NSSC reports performance against service agreements and utilization. In operation for less than one year, the NSSC has consistently met or exceeded service levels for 12 of 13 activities transitioned.

The NSSC is uniquely positioned to provide end-to-end insights into NASA support processes that have led to process improvements. Using statistical analysis and lean service principles, the NSSC

reengineered the grants process to reduce the number of process steps by 22% and improve timeliness by 36%.

Multiple customer interfaces make it easy to do business with the NSSC. The contact center provides a single intake point for resolution of a wide range of problems – a first in NASA. The NSSC analyzed inquiries to identify common service failures and develop a service recovery plan. NSSC's event-driven surveys capture randomly selected customers' level of satisfaction with a service they recently received. Of these, 91% of customers are satisfied/very satisfied with NSSC service! Additionally, 93% of routine customer inquiries are resolved within one day. The NSSC customer service portal is organized around services and communities to make it easier to find information.

Reimbursable billing brought a discipline to support services that some customers viewed as a loss of flexibility not wholly offset by the return on investment.

To provide customers a 360 degree view of support services, the NSSC developed a data warehouse in less than eight months. The warehouse associates and correlates data from different NASA business systems including SAP, the NSSC's help desk software, quality control database and customer survey database.

The NSSC contributes to NASA's success by identifying new business opportunities that will generate additional savings for NASA and reduce NSSC's payback period. Business

cases for new activities are presented to the NSSC board of directors. Recently, the board approved the consolidation of common software licenses held across NASA as a new business for the NSSC. Consolidation of agency forms licenses alone, the first scheduled consolidation, will generate additional savings of U.S.\$7.6m over a 10-year period.

Change Management and Communication Strategies

The creation of the NSSC represented a radical change in how NASA delivered support services. Services that were previously provided at ten different centers were now moved to a central location. Standardization drove changes in processes that impacted customers. Reimbursable billing brought a discipline to support services that some customers viewed as a loss of flexibility not wholly offset by the return on investment. Employees performing the services at the centers were apprehensive about their future.

To gain acceptance and reduce resistance, the NSSC used a comprehensive change management strategy that included:

- a NSSC board of directors consisting of key agency executives and rotating center representatives
- onsite transition teams comprised of center subject matter experts to lead the transition
- onsite change integration teams consisting of center employees experienced in change management
- an NSSC resident liaison at each center to manage the relationship between the NSSC and the center, and to serve as advocate, educator, and conduit

The transition and change integration teams prepared individuals and the environment

for new systems and processes. The NSSC leveraged best practices and instituted a stakeholder analysis tool. The change acceptance curve was used to track the movement of stakeholders from pre-awareness to ownership. To establish a baseline, the NSSC assessed pre-transition customer satisfaction with the service they were receiving locally from the centers. Survey results were also used to identify post-transition opportunities for improvement.

A placement plan minimized the impact of transition on center employees performing the service on site. Affected center employees were advised well in advance of their post-transition duties and no employees were separated. Eliminating their fear and uncertainty early in the process built cooperation and support.

During implementation, NSSC senior leadership visited all 10 NASA centers. The agenda for center visits included a senior management briefing, an open briefing, Q&As for center employees, and meetings with functional representatives.

The NSSC continues to employ a robust change management strategy. Service guides, developed in collaboration with customers, document processes eliminating confusion about roles and responsibilities. The *Introduction to the NSSC* pamphlet and NSSC promotional items raise awareness of the NSSC. The second round of center visits were completed last month. The customer service portal and contact center are the NSSC's primary interfaces with customers and are used extensively as vehicles of change.

Strategic Plan for Future Development
NSSC's balanced scorecard communicates

strategic goals, maps tactical objectives to each goal, and identifies targets for tracking progress. The scorecard focuses on four areas for transforming NSSC from a new to a mature and forward-leaning shared services organization.

1. *Customer Confidence and Loyalty* has strategic objectives for:

- developing a strategic communications plan that increases NASA's awareness of NSSC as a value-added strategic business initiative
- using surveys to baseline customer satisfaction and to compare customer satisfaction with NSSC services
- developing a new business process to identify new business opportunities that best fit the shared services model and offer the greatest benefit to the agency

2. *Increasing Financial Performance* is aimed at delivering cost savings to the agency by:

- maintaining or reducing overall costs; NSSC developed and implemented a capital investment process for approving significant expenditures
- establishing and maintaining a credible, readily understood chargeback system
- developing the framework and tools to track and report cost
- identifying new business opportunities to reduce the NSSC payback period and provide substantial benefit to NASA

3. *Providing Unparalleled Service* is focused on:

- meeting or exceeding performance targets in service level agreements. This drove NSSC to develop a business intelligence warehouse to monitor, manage and report performance
- excelling at recovery using a service recovery plan developed for and by the NSSC

- making it easy to do business with the NSSC by designing interfaces with the customer in mind; developing and implementing a strategy for self-service; streamlining processes. Measures and milestones in this area include migration from the web to a customer service portal, validating processes within seven months of transition, and business process reengineering for core services. The process improvement/return on investment template is NSSC's standard approach to documenting process improvements and computing the return on investment for a process change or an infusion of technology

4. *Promoting Investment in Employees* includes:

- attracting, developing, and retaining a high-quality, diverse workforce with a recruitment strategy focused on specific position requirements, local markets, and Agency priorities
- implementing student/feeder employment programs integrated with a development program that results in strong technical and managerial leaders
- promoting work-life balance, recognizing and rewarding job performance, and providing meaningful and challenging work for employees

The balanced scorecard is the NSSC's strategic plan for future development.

The Shared Services & Outsourcing Network extends its congratulations to NSSC for the recognition it has achieved throughout the shared services industry in winning this award.